



Cleveland District Office News

Information for the Small Business Community

April 2006

U.S. Small Business Administration
Cleveland District Office

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April 2006 Newsletter
In this issue:

Loan Report Page 1

New SBA National Ombudsman Page 2

News for SBA Lenders Page 2

Over \$8 Billion in SBA Disaster Loans
Approved Since Gulf Disasters Page 3

SBA Small Business Awardees Honored
During Small Business Week Page 3

Horse Race Perspective:
Comparative Analysis Page 4

For More Information
SBA Home Page: www.sba.gov

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.

- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064

- E-mail: answerdesk@sba.gov

All of the SBA's programs and services are provided to the

public on a non-discriminatory basis.

SIX MONTH LOAN REPORT *as of March 31, 2006*



THE HORSE RACE CONTINUES

Total Loan Volume (7(a) and 504 Combined)

Bank	Number of Loans	Dollars (In Thousands)
Charter One Bank	367	\$18,539
National City Bank	134	\$17,350
US Bank	93	\$3,810
JP Morgan Chase Bank	73	\$11,738
FirstMerit Bank	71	\$14,556

504 Loans

Bank	Number of 504s
KeyBank	11
FirstMerit Bank	10
National City Bank	7
Sky Bank	5
Huntington National Bank	4
JP Morgan Chase Bank	4

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	20	\$7,271
Cascade Capital Corp.	9	\$2,876
Lake County SBAC	9	\$2,168
Stark Dev. Board Finance Corp.	7	\$1,788
MVEDC	6	\$3,310
Ohio Statewide Development Corp.	2	\$1,432
Community Capital Dev. Corp.	2	\$464
Lucas County Improvement Corp.	1	\$720
Northwest Ohio Dev. Ass't. Corp.	1	\$258

Nicholas Owens Named SBA's National Ombudsman

Nicholas N. Owens has been appointed National Ombudsman for the U.S. Small Business Administration by SBA Administrator Hector V. Barreto. In his role as SBA's fifth National Ombudsman, Owens will lead the national effort on behalf of the country's small businesses to ensure fairness in the enforcement of federal regulations.

The National Ombudsman is empowered to receive, substantiate and report to Congress complaints and comments from small business owners about regulatory enforcement actions taken against small businesses by federal agencies.

The National Ombudsman's office works closely with more than 35 federal regulatory agencies to resolve complaints about excessive enforcement of federal regulations during hearings held in cities nationwide. Established in 1996 with the passage of the Small Business Regulatory Enforcement Fairness Act, the National Ombudsman's office works with 10 regional fairness boards whose membership is drawn from 50 small business owners from across the country.

In 1996 Owens, a native of Wiggins, Mississippi, founded Nicomm Group, a public affairs, communications and government relations firm based in Mississippi. In 2000, he was named vice president of sales and marketing for Nashville-based, Healthcare Technology Solutions Corporation. Before his appointment as the National Ombudsman, Owens served five years as a special assistant to the chairman and director of external affairs for the National Credit Union Administration. Owens also coordinated the NCUA's "Access Across America" economic empowerment initiative. ♦

For more information, visit the Web site at www.sba.gov/ombudsman.

NEWS FOR SBA LENDERS



The Office of Financial Assistance recently advised the Sacramento Processing Center that it is not to approve any 504 loan for the purpose of purchasing a gasoline station where the deed includes a provision restricting the brand of service station that may be operated on the premises. The purpose of this Information Notice is to inform SBA field offices, SBAExpress lenders, PLP lenders and PCLP CDCs that 7(a) or 504 loan requests to purchase gasoline stations that include similar deed restrictions (or language that has the same effect), whether the restrictions are required as part of the purchase and sale agreement or already contained in covenants running with the land, are not acceptable to SBA.

The deed restrictions in question are typically seen as part of a buy/sell agreement between an oil company and a purchaser of one of its gasoline stations. SBA found the deed restrictions to be unacceptable because they severely compromise the marketability of the business real estate collateral that would be securing the SBA-guaranteed loan. The deed restriction language generally appears titled as "Use or Operation Restrictions" or "Petroleum Restrictions" in a Special Warranty Deed or other document recorded as part of the purchase and sale transaction. An example reads as follows:

No part of the Property shall be used by Grantee or any other Grantee Party, directly or indirectly, for an automobile service station, petroleum station, gasoline station or for the purpose of conducting or carrying on the business of selling, offering for sale, storage, handling, distributing or dealing in petroleum, gasoline, motor vehicle fuel, diesel fuel, kerosene, benzol, naphtha, greases, lubricating oils, or any fuel used for internal combustion engines, or lubricants in any form, or other petroleum or petroleum-related products, except for the personal use or consumption of such products by Grantee or its lessees of the Property, unless any such use is in connection with the operation of the Property as a Grantor branded service station. For purposes hereof, "Grantor branded service station" shall mean a service station under the brand [franchisor name] or any other brand of Grantor or any of its affiliates or their respective successors and assigns.

The above covenants and use restrictions bind and restrict the Property as covenants and restrictions running with the land and each portion thereof, and are deemed to benefit Grantor as a user of, operator of, or supplier of Grantor branded fuels to lands or retail operations in the jurisdiction in which the Property is located. These restrictive covenants will remain in full force and effect for a term of fifteen (15) years from the date of this conveyance whereupon these restrictive covenants will automatically lapse and terminate and be of no further force or effect. ♦

Questions from CDCs or lenders regarding this notice should be directed to their local district office.

SBA Tops \$8 Billion in Disaster Loan Approvals

More than \$8 billion in long-term recovery and rebuilding loans have been approved by the U.S. Small Business Administration to more than 121,300 victims since Hurricane Katrina made landfall at the end of August 2005. The record loan volume over the last seven months is double what was provided in the agency's previous record disaster response, the Northridge earthquake in 1994, in which \$4 billion in loans were made over a 12-month period.

The SBA has processed over 92 percent of the loan applications received for businesses. Almost 90 percent of the overall applications received to date have been processed. More than \$1.76 billion in disaster loans have been approved for businesses. Applicants whose loans have been approved, and who are ready to start the rebuilding process, should contact SBA's Customer Service Center at 1-800-659-2955 so their loan closings may be scheduled. ♦

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SBA Honors Small Business Award Winners During National Small Business Week 2006

The U.S. Small Business Administration will honor the nation's most outstanding entrepreneurs, and announce the National Small Business Person of the Year for 2006, during National Small Business Week in Washington, D.C., April 12-13, 2006. More than 100 outstanding small business owners from around the country will be honored at award events that will focus on the achievements of America's top entrepreneurs. Four major award events will take place, culminating with the announcement of the National Small Business Person of the Year, and a tribute to small businesses recovering from natural disasters, including the recent hurricanes that devastated the Gulf region.

The National Small Business Person of the Year and runners-up will be selected from among the 53 state small business winners, including the District of Columbia, Puerto Rico and Guam. Small business honorees reflect the full range of business products, services and innovations offered by our nation's entrepreneurs, ranging from a cake bakery to a family health club; from a dairy farm to a manufacturer of components for Blackhawk helicopters. Ohio's Small Business Person of the Year is Jerry Bordner, President and CEO of Laser Reproductions of Gahanna.

This year the SBA will present a new award, the 2006 American Spirit Awards, which will recognize the accomplishments of small businesses in the areas devastated by the 2005 hurricanes, and acts of volunteerism on the part of individuals and businesses that went above and beyond the call of duty in their efforts to aid victims. Small Business Champion Award winners will also be honored. These awards recognize individuals who have distinguished themselves by their advocacy on behalf of women-owned, minority-owned and veteran-owned small businesses. The National SCORE Chapter of the Year will also be honored. In addition, the SBA will recognize the Small Business Development Centers (SBDC's) 25th anniversary, marking the remarkable and successful milestone aiding the nation's entrepreneurs to realize their dreams of business ownership. The Phoenix Awards recognize a public official, a business owner and a volunteer whose efforts have enabled their businesses or communities to recover successfully from a disaster. Several financial institutions will receive Lender Awards for their efforts in using SBA loan programs to support the growth of small businesses.

SBA will also award a number of honors in the area of federal contracting. Those awards include: Dwight D. Eisenhower Award for Excellence, recognizing large prime contractors that have excelled in their utilization of small businesses as suppliers and subcontractors, the Gold Star Award, recognizing the exemplary performance of federal personnel who carry out the aggressive goals and strategic initiatives that help ensure a role for small business in the federal marketplace, the Frances Perkins Vanguard Award, honoring government and industry for excellence in the use of women-owned small businesses as prime contractors and subcontractors, and the Small Business Prime Contractor and Small Business Subcontractor of the Year, honoring small businesses that have provided the government and industry with outstanding goods and services either as prime contractors or as subcontractors. ♦

For additional information on Small Business Week 2006, go to www.sba.gov/sbw

Horse Race Perspective

(Comparative Analysis)

